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**AMITE RIVER BASIN DRAINAGE AND
WATER CONSERVATION DISTRICT**

STATE OF LOUISIANA
BATON ROUGE, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS

AS OF AND FOR THE FISCAL YEARS ENDED
JUNE 30, 1997 AND JUNE 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 30 1998

AMITE RIVER BASIN DRAINAGE AND
WATER CONSERVATION DISTRICT

STATE OF LOUISIANA

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Zahn, Kenney & Bresette
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Commissioners of the
Amite River Basin Drainage and
Water Conservation District
Baton Rouge, Louisiana

We have audited the accompanying general purpose financial statements of the Amite River Basin Drainage and Water Conservation District (District), a component unit of the State of Louisiana, as of and for the fiscal years ended June 30, 1997, and 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 1997 and 1998, and the results of its operations for the fiscal years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 13, 1998, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were performed for the purpose of forming an opinion on the general purpose financial statements. The accompanying supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial

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statements of the District. Such information has been subjected to the procedures applied in the audits of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Bahn Kenney & Bresette
Metairie, Louisiana
August 13, 1998

AMITE RIVER BASIN DRAINAGE AND
WATER CONSERVATION DISTRICT

STATE OF LOUISIANA

ALL FUND TYPES AND ACCOUNT GROUPS

BALANCE SHEET

JUNE 30, 1997

	GOVERNMENTAL FUND - <u>GENERAL FUND</u>	ACCOUNT GROUP - GENERAL <u>FIXED ASSETS</u>	TOTAL (MEMORANDUM <u>ONLY</u>)
<u>ASSETS</u>			
Cash (Note 2)	\$ 97,756	\$ -	\$ 97,756
Fixed assets (Note 3)	<u>-</u>	<u>25,353</u>	<u>25,353</u>
Total assets	<u>\$ 97,756</u>	<u>\$ 25,353</u>	<u>\$ 123,109</u>
 <u>LIABILITIES, EQUITY AND OTHER CREDITS</u>			
LIABILITIES:			
Accounts payable	\$ 44,449	\$ -	\$ 44,449
Payroll payable	3,770	-	3,770
Payroll deductions and withholdings payable	<u>555</u>	<u>-</u>	<u>555</u>
Total liabilities	48,774	-	48,774
EQUITY AND OTHER CREDITS:			
Investment in general fixed assets	-	25,353	25,353
Fund balance - unreserved - undesignated	<u>48,982</u>	<u>-</u>	<u>48,982</u>
Total equity and other credits	<u>48,982</u>	<u>25,353</u>	<u>74,335</u>
Total liabilities, equity, and other credits	<u>\$ 97,756</u>	<u>\$ 25,353</u>	<u>\$ 123,109</u>

The accompanying notes are an integral part of this statement

AMITE RIVER BASIN DRAINAGE AND
WATER CONSERVATION DISTRICT

STATE OF LOUISIANA

ALL FUND TYPES AND ACCOUNT GROUPS

BALANCE SHEET

JUNE 30, 1998

	GOVERNMENTAL FUND - <u>GENERAL FUND</u>	ACCOUNT GROUP - GENERAL <u>FIXED ASSETS</u>	TOTAL (MEMORANDUM <u>ONLY</u>)
<u>ASSETS</u>			
Cash (Note 2)	\$ 169,748	\$ -	\$ 169,748
Fixed assets (Note 3)	<u>-</u>	<u>34,259</u>	<u>34,259</u>
Total assets	<u>\$ 169,748</u>	<u>\$ 34,259</u>	<u>\$ 204,007</u>
 <u>LIABILITIES, EQUITY AND OTHER CREDITS</u>			
LIABILITIES:			
Accounts payable	\$ 9,569	\$ -	\$ 9,569
Payroll payable	3,854	-	3,854
Payroll deductions and withholdings payable	<u>537</u>	<u>-</u>	<u>537</u>
Total liabilities	13,960	-	13,960
 EQUITY AND OTHER CREDITS:			
Investment in general fixed assets	-	34,259	34,259
Fund balance - unreserved - undesignated	<u>155,788</u>	<u>-</u>	<u>155,788</u>
Total equity and other credits	<u>155,788</u>	<u>34,259</u>	<u>190,047</u>
Total liabilities, equity, and other credits	<u>\$ 169,748</u>	<u>\$ 34,259</u>	<u>\$ 204,007</u>

The accompanying notes are an integral part of this statement

AMITE RIVER BASIN DRAINAGE AND
WATER CONSERVATION DISTRICT

STATE OF LOUISIANA

GOVERNMENTAL FUND - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET
(GAAP BASIS) AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State grant - Louisiana Department of Transportation and Development	\$275,000	\$275,000	\$ -
Use of money and property - interest earnings	3,000	1,461	(1,539)
FEMA Elevation Demonstration Grant	10,082	15,383	5,301
Rural Development Grant	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Total Revenues	328,082	291,844	(36,238)
EXPENDITURES			
General government - public safety - other protection:			
Personal services and related benefits	113,204	91,600	21,604
Travel	1,500	1,753	(253)
Operating services	31,030	23,312	7,718
Materials and supplies	1,500	2,709	(1,209)
Professional services	178,390	110,645	67,745
Capital outlay	500	757	(257)
Intergovernmental agreement	<u>50,032</u>	<u>18,000</u>	<u>32,032</u>
Total Expenditures	<u>376,156</u>	<u>248,776</u>	<u>127,380</u>
Excess (deficit) of revenues over expenditures	(48,074)	43,068	91,142
Fund balance at beginning of year	<u>16,056</u>	<u>5,914</u>	<u>(10,142)</u>
Fund balance at end of year	<u>\$(32,018)</u>	<u>\$ 48,982</u>	<u>\$ 81,000</u>

The accompanying notes are an integral part of this statement

AMITE RIVER BASIN DRAINAGE AND
WATER CONSERVATION DISTRICT

STATE OF LOUISIANA

GOVERNMENTAL FUND - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET
(GAAP BASIS) AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
State grant - Louisiana Department of Transportation and Development	\$275,000	\$275,000	\$ -
Use of money and property - interest earnings	-	1,802	1,802
Intergovernmental grants	<u>79,700</u>	<u>-</u>	<u>(79,700)</u>
Total Revenues	354,700	276,802	(77,898)
EXPENDITURES			
General government - public safety - other protection:			
Personal services and related benefits	105,500	101,305	4,195
Travel	3,500	2,314	1,186
Operating services	25,005	22,468	2,537
Materials and supplies	3,095	3,237	(142)
Professional services	58,400	12,216	46,184
Capital outlay	14,700	11,577	3,123
Intergovernmental agreement	<u>144,500</u>	<u>17,507</u>	<u>126,993</u>
Total Expenditures	<u>354,700</u>	<u>170,624</u>	<u>184,076</u>
Excess of revenues over expenditures	-	106,178	106,178
Other financing sources - sale of fixed assets	<u>-</u>	<u>628</u>	<u>628</u>
Excess of revenues and other financing sources over expenditures	-	106,806	106,806
Fund balance at beginning of year	<u>48,982</u>	<u>48,982</u>	<u>-</u>
Fund balance at end of year	<u>\$ 48,982</u>	<u>\$155,788</u>	<u>\$106,806</u>

The accompanying notes are an integral part of this statement

AMITE RIVER BASIN DRAINAGE AND
WATER CONSERVATION DISTRICT

STATE OF LOUISIANA

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEARS ENDED
JUNE 30, 1997 AND JUNE 30, 1998

INTRODUCTION

The Amite River Basin Drainage and Water Conservation District (District) is a component unit of the State of Louisiana reporting entity. The District was created by and is subject to the provisions of Louisiana Revised Statutes 38:3301-3309. The District is comprised of all the territory within the watershed limits of the Amite River and tributaries basin in Louisiana within the Parishes of East Baton Rouge, St. Helena, East Feliciana, Livingston, and those portions east of U.S. Highway 61 in Ascension and St. James Parishes. Management and control of the District is vested in the board of commissioners (board). The board is composed of 13 members, appointed by the governor of the State of Louisiana, who serve terms concurrent with that of the governor. The board is charged with the responsibility to establish adequate drainage, flood control, and water development, including, but not limited to construction of reservoirs, diversion canals, gravity and pumped drainage systems, and other flood control works. The District is advised by the Louisiana Department of Transportation and Development. The District is domiciled in Baton Rouge, Louisiana.

Operations of the District have been funded with state General Fund monies provided through the Louisiana Department of Transportation and Development and the Louisiana Department of Military Affairs and interest earnings from investments. The District has two employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

In 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government. The accompanying general purpose financial statements have been prepared in accordance with such principles.

B. REPORTING ENTITY

GASB Codification Section 2100 and GASB Statement 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The District is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members and public service is rendered within the state's boundaries. The accompanying general purpose financial statements present information only as to the transactions of the programs of the District, a

component unit of the State of Louisiana. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying general purpose financial statements.

C. FUND ACCOUNTING

The District uses a general fund and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The general fund of the District is classified as a governmental fund and is the general operating fund of the District and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The general fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of this fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the general fund. The general fund uses the following practices in recording revenues and expenditures:

Revenues

State grants, the FEMA Elevation Demonstration Grant and interest income are recorded in the year received, which approximates when measurable and available. All other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

For the fiscal year ended June 30, 1997, the District approved its annual expenditure budget at its regular meeting on July 15, 1996. Budgeted amounts included in the accompanying general purpose financial statements represent the budget as approved on July 15, 1996. The District prepares its budget on the modified accrual basis.

For the fiscal year ended June 30, 1998, the District approved its annual expenditure budget at its regular meeting on May 20, 1997, and on December 15, 1997, March 17, 1998 and June 16, 1998 the board revised the annual budget. Budgeted amounts included in the accompanying general purpose financial statements represent the budget as amended through June 16, 1998. The District prepares its budget on the modified accrual basis.

F. CASH

Cash consists of amounts in interest-bearing demand deposits and cash on hand. Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the District may invest in time certificates of deposit of state banks organized under the laws of the State of Louisiana, national banks having their principal offices in Louisiana, in savings accounts of shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

G. GENERAL FIXED ASSETS AND LONG-TERM OBLIGATIONS

General fixed assets are accounted for in the general fixed assets account group, rather than in the general fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. A summary of changes in general fixed assets is presented in note 3. The District has no long-term obligations.

The account group is not a fund. It is concerned only with the measurement of financial position, not with measurement of results of operations.

H. COMPENSATED ABSENCES

The District provides annual and sick leave benefits to its employees based on years of service. Employees can accumulate up to 30 days of sick leave which can be carried forward to future years. Upon termination, no payment will be made for accumulated sick leave. Vacation leave does not carry over between years, but employees receive payment at year end for any unused vacation leave. No leave liability existed at June 30, 1997 and June 30, 1998.

The District does not compensate its employees for postretirement health care benefits and does not contribute to a pension plan.

I. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH

The District has cash (book balances) as follows at June 30,

	<u>1997</u>	<u>1998</u>
Petty cash	\$ 200	\$ 200
Interest-bearing demand deposits	<u>97,556</u>	<u>169,548</u>
Total	<u>\$ 97,756</u>	<u>\$169,748</u>

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At June 30, 1997, the District has \$112,289 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$47,574 of pledged securities held by the custodial bank's agent in the name of the District (GASB Category 2). At June 30, 1998, the District has \$169,553 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$191,713 of pledged securities held by the custodial bank's agent in the name of the District (GASB Category 2).

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets (all furniture and fixtures) follows:

Balance July 1, <u>1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1998</u>
\$ <u>24,596</u>	\$ <u>757</u>	\$ <u>-</u>	\$ <u>25,353</u>	\$ <u>11,577</u>	\$ <u>(2,671)</u>	\$ <u>34,259</u>

4. LEASE OBLIGATIONS

The District had an operating lease for office space totaling \$11,100 for fiscal year ended June 30, 1997 and \$10,350 for fiscal year ended June 30, 1998. The lease is in the amount of \$900 per month from July 1, 1998 through expiration on September 30, 1998.

5. LITIGATION AND CLAIMS

There is no pending litigation against the District at June 30, 1998.

Zahn, Kenney & Bresette
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners of the
Amite River Basin Drainage and
Water Conservation District
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the Amite River Basin Drainage and Water Conservation District (District), a component unit of the State of Louisiana, as of and for the years ended June 30, 1997, and June 30, 1998, and have issued our report thereon dated August 13, 1998. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by

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employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the District, management, and the Legislative Audit Advisory Committee. This restriction is not intended to limit the distribution of this report which, upon acceptance by the District, is a matter of public record.

Zahn, Kenney & Bresette
Metairie, Louisiana
August 13, 1998

AMITE RIVER BASIN DRAINAGE AND
WATER CONSERVATION DISTRICT

STATE OF LOUISIANA

SUPPLEMENTAL INFORMATION
SCHEDULES OF PER DIEM PAID TO BOARD MEMBERS

AS OF AND FOR THE FISCAL YEARS ENDED
JUNE 30, 1997 AND JUNE 30, 1998

The schedule of per diem paid to board members of the Amite River Basin Drainage and Water Conservation District is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 38:3304 and are included in the personal services expenditures of the general fund. Board members are paid \$60 per meeting for up to 24 meetings each year.

<u>Name</u>	<u>June 30, 1997</u>		<u>June 30, 1998</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Paul A. Bourgeois	8	\$ 480	12	\$ 720
J.E. Brignac, Jr.	5	300	-	-
Suzie Davis	1	60	-	-
Kathryn E. Jones	17	1,020	15	900
Dotti G. Knost	-	-	7	420
Willie George Lee	6	360	10	600
Hattie Lockwood	4	240	-	-
Terry Louque	10	600	10	600
Mike D. McDaniel	8	480	10	600
Benjamin Ratcliff	1	60	-	-
Keith Saucier	14	840	12	720
Larry Stewart	-	-	8	480
Olin Stubbs	10	600	-	-
Jeffrey Taylor	18	1,080	13	780
Donald Thompson	11	660	13	780
Merlin Tynes	9	540	-	-
John D. Templet	4	240	-	-
Robert C. Williams	8	480	7	420
Floyd Younger	17	<u>1,020</u>	18	<u>1,080</u>
		<u>\$9,060</u>		<u>\$8,100</u>

Summary of Prior Year Audit Findings

There were no findings from the prior year audit.